



**STATE BOARD OF EQUALIZATION**

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February 28, 1997

E. L. SORENSEN, JR.  
Executive Director

Mr. [B]  
Manager of Government Affairs  
[P]  
XXXXX --- ---  
--- ---, CA XXXXX

Dear Mr. [B]:

This is in response to your facsimile transmittal of February 24, 1997.

As we discussed by telephone, California sales tax does not apply to sales of your product All-Sport Body Quencher. We regard this product as a nontaxable food product.

This is a change in our position. We are aware that your product contains trace amounts of carbonation, and we are aware that sales tax applies to sales of carbonated beverages. However, we have now recognized sports energy drinks as a general food products category. We are no longer making distinctions between products based upon insignificant distinctions in their formulation or based upon imaginative labeling detail.

Very truly yours,

Gary J. Jugum  
Assistant Chief Counsel

GJJ:sr